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TRANSMITTAL FORM (to be used for all correspondence after initial filing) Total Number of Pages in this Submission	Application Number	10/525,418
	Filing Date	February 23, 2005
	First Named Inventor	David KELLY et al.
	Art Unit	Unassigned
	Examiner Name	Unassigned
	Attorney Docket Number	119508-00281

ENCLOSURES (Check all that apply)		
<input type="checkbox"/> Fee Transmittal Form <input type="checkbox"/> Fee Attached <input type="checkbox"/> Amendment/Reply <input type="checkbox"/> After Final <input type="checkbox"/> Affidavits/declaration(s) <input type="checkbox"/> Extension of Time Request <input type="checkbox"/> Express Abandonment Request <input type="checkbox"/> Information Disclosure Statement <input type="checkbox"/> Certified Copy of Priority Document(s) <input type="checkbox"/> Reply to Missing Parts/ Incomplete Application <input type="checkbox"/> Reply to Missing Parts under 37 CFR 1.52 or 1.53	<input type="checkbox"/> Drawing(s) <input type="checkbox"/> Licensing-related Papers <input type="checkbox"/> Petition <input type="checkbox"/> Petition to Convert to a Provisional Application <input type="checkbox"/> Power of Attorney, Revocation Change of Correspondence Address <input type="checkbox"/> Terminal Disclaimer <input type="checkbox"/> Request for Refund <input type="checkbox"/> CD, Number of CD(s) _____ <input type="checkbox"/> Landscape Table on CD	<input type="checkbox"/> After Allowance Communication to TC <input type="checkbox"/> Appeal Communication to Board of Appeals and Interferences <input type="checkbox"/> Appeal Communication to TC (Appeal Notice, Brief, Reply Brief) <input type="checkbox"/> Proprietary Information <input type="checkbox"/> Status Letter <input checked="" type="checkbox"/> Other Enclosure(s) (please identify below): <u>Letter</u>
<div>Remarks</div>		
SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT		
Firm Name	BLANK ROME LLP	
Signature		
Printed Name	Brian Wm. Higgins	
Date	July 11, 2007	Reg. No. 48,443

This collection of information is required by 37 CFR 1.5 The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to 2 hours to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re U.S. National Stage Appln. of)	
David KELLY et al.)	Art Unit: Unassigned
Serial No.: 10/525,418)	Examiner: Unassigned
Filing Date: February 23, 2005)	Confirmation No.: 5069
I.A. No. PCT/EP03/09349)	Attorney Docket No. 119508-00281
I.A. Filing Date: August 22, 2003)	
Priority Date: August 23, 2002)	
For: TORQUE SENSOR ADAPTER)	

LETTER

Mail Stop Petition
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Abas, Inc., a wholly-owned subsidiary of Methode Electronics, Inc., which contends it is the owner of the above-cited patent application (hereinafter "Rule 1.47(a) applicant") respectfully requests reconsideration of the Decision on Petition Under 37 C.F.R. §1.47(b) issued by the Patent Office on June 29, 2006. The Rule 1.47(a) applicant requests reconsideration on the basis of a German court decision dated August 3, 2006 (a copy of which is enclosed as Exhibit A).

A. Background

On August 22, 2003, the above-captioned International Application was filed in the European Patent Office (acting as the international examination authority). On February 23, 2005, the present application was submitted to the Patent Office as a national stage application based upon that International Application. An unexecuted Declaration was submitted with the U.S. application papers.

The Rule 1.47(a) applicant presented the U.S. application papers to the inventor, Lutz Axel May, a German citizen, for his review and execution. To this date, Lutz May has refused to execute the Declaration.

On August 31, 2005, the Patent Office issued a Notification of Missing Requirements stating that an executed Declaration needed to be submitted to the Patent Office to complete the national stage filing requirements under 35 U.S.C. § 371.

Because Lutz May refused to execute the required Declaration, on October 28, 2005, the Rule 1.47(a) applicant submitted a Petition Under 37 C.F.R. § 1.47(a) requesting that the Patent Office accept the application without the signature of Lutz May on the Declaration. On March 6, 2006, that Petition was dismissed without prejudice.

On May 10, 2006, the Rule 1.47(a) applicant submitted a Renewed Petition Under 37 C.F.R. § 1.47(a), which included additional documentary evidence and information not contained in the original Petition. On June 29, 2006, the Renewed Petition was granted.

On July 12, 2006, the Patent Office mailed a Filing Receipt to the correspondence address of record (i.e., Blank Rome LLP's address). The application was subsequently published on November 17, 2006, as U.S. Patent Appl. Pub. No. 2006/0250029.

On February 1, 2007, the Rule 1.47(a) applicant submitted a Letter to the Patent Office with additional information relevant to the Renewed Petition Under 37 C.F.R. § 1.47(a). However, a copy of the English translation of the aforementioned German court decision was not provided.

B. Basis for the Request for Reconsideration

The Rule 1.47(a) applicant and Lutz May are opposing parties in a litigation matter in Germany concerning ownership of the invention disclosed in the above-captioned patent application and related patent applications (as well as the inventions disclosed in other patent applications). On August 3, 2006, a German court issued a decision granting Lutz May's relief in that litigation. The Rule 1.47(a) applicant timely appealed the decision to a German appeals court. The parties have fully briefed the issues to the appeals court and are awaiting their opportunity for oral argument, which the Rule 1.47(a) applicant expects will be completed by the end of 2007 or early 2008. Enclosed in Exhibit A is a true and correct copy of an uncertified English translation of the German court decisions prepared by the Rule 1.47(a) applicant.

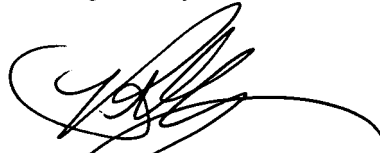
The undersigned would like to point out that the submission of this Letter and related issues were briefly discussed with Mr. Brian Lynn of the PCT Legal Office.

C. Conclusion

In the event there are any questions relating to this Letter or the other papers submitted concurrently herewith, it would be appreciated if the Patent Office would telephone the undersigned attorney concerning such questions so that the prosecution of this application may be expedited.

Any fee due is authorized above. Please charge any shortage or credit any overpayment of fees to BLANK ROME LLP, Deposit Account No. 23-2185 (119508-00281).

Respectfully submitted,



Brian Wm. Higgins
Registration No. 48,443

BLANK ROME LLP
600 New Hampshire Ave., N.W.
Washington, D.C. 20037
Telephone: (202) 772-5800
Customer No. 27557

Date: July 11, 2007

EXHIBIT A



COPY

Munich District Court
Lenbachplatz 7, 80316 Munich

File no.: 7 O 929/05

Announced on 8/3/06

Clerk of Court

IN THE NAME OF THE PEOPLE

JUDGEMENT

In the case

ABAS Inc. represented by Stephen U. Harders, 7401 West Wilson Avenue, Chicago, Illinois 60706

USA

- plaintiff and counterplaintiff -

Counsel:

Attorneys-at- Law Legerlotz Laschet, Mevissenstr. 15, 50668, Cologne

Gz: 05/35013K

Hans von Gleichenstein as insolvency administrator for the property of FAST Technology AG,

Rottmannstr. 11a, 80333 Munich

- Third party -

Counsel:

Attorneys-at-Law Hans von Gleichenstein and Maximilian Breitling, Rottmannstr. 11a, 80333

Munich

Gz.: 00/000149

versus

Lutz Axel May, Wolfratshauser Str. 23a, 82538 Geretsried

- Defendant and counterdefendant -

Counsel:

Attorneys-at-Law Peters, Schoenberger & Partner Gbr,

Schackstr. 2, 80539 Munich

for rendering of signatures and others (Employee Invention Law),

the Munich District Court I, 7th Division for Civil Matters, renders the following

FINAL JUDGEMENT

by presiding District Court Judge Retzer, District Court Judge Dr. Brodherr and District Court

Judge Zigann based on the hearing dated 2/16/06

I. The claim is rejected

II. Regarding the counterclaim, it is established that the inventions in which the defendant is sole inventor or co-inventor and which underlie patent applications US 10/485,960, US 10/480,597, US 10/482,002, US 09/673/930, US 10/498/058, US 10/373,636, US 6,360,841, US 10/738,883, US 10/257,337, US 10/477,180, PCT/EP 01/13698, PCT/EP 02/01704, PCT/EP 02/01225, PCT/EP 02/00784, PCT/EP 02/00786, PCT/EP 2004/00044, PCT/EP 03/09349, PCT/EP 02/14520, PCT/EP 03/10634, PCT/EP 02/01230, GB 012905, GB 0115494, GB 0127448, CA 2,450,137 and CA 2,476,543, have been assigned neither in the course of use according to the Employee Invention Law by FAST Technology GmbH or its legal predecessor, FAST Technology GmbH, to it, nor by

legal or other assignment to it.

III. Otherwise the counterclaim is rejected.

IV. The plaintiff will bear the cost of the proceedings, but the Third Party will bear his costs himself.

V. The judgement is tentatively executable in number IV against bond in the amount of 110% of the costs to be defrayed.

and the following

DECISION

The amount in dispute for the period through 9/19/05 is fixed at 20,000 euros and for the period afterwards at 700,000 euros.

STATEMENT OF FACTS

The parties are in dispute regarding which of them is the materially entitled party to a host of PCT/EP, US, British and Canadian patents and patent applications (hereinafter: patents in dispute; compare Appendix CHB 40).

The defendant is the inventor and co-inventor of the patents in dispute. From 4/26/99 to 3/30/00 he was the managing director and from 3/31/00 to 11/5/01 the proxy of FAST Technology GmbH. After a change of legal form beginning 11/6/01 until the insolvency proceedings began on 8/1/03 he was a member of the board of directors of FAST Technology AG. In the employment contract of the board of directors in Section 7, paragraph 2 (compare Appendix B 4) the corresponding application of the Employee Invention Law and the opportunity of employers to claim inventions relating to the activity of the board of directors, without compensation were established.

The plaintiff, a US company, claims, based on various acquisition processes which begin with the insolvency administrator of FAST Technology AG, the third party, to be materially entitled to the patents in dispute. He submits that he requires the signature of the defendant under the assignments and declarations reproduced in the petition and subsidiary petition for assignment of the patents in dispute to himself. The defendant based on his position as a former employee or element of the Fast companies is obligated to him to render the signatures. Alternatively, based on the empowerment of the third party he is bringing suit for this to be done.

All patents in dispute were filed on the initiative of the defendant via a British patent attorney office for the FAST companies which also bore the application and maintenance costs. There are no formal invention reports or formal declarations of use.

The plaintiff submits that the defendant devised the inventions with reference to the patents in dispute a, c, d, g, n, and t during his time as employee and with reference to patents in disputes e, f, i, j, k, l, m, o, p, r and s during his tenure as director.

They are exclusively service inventions in the sense of Section 4, paragraph 2 Employee Invention Law. Devising new technical solutions was the job of the defendant at the FAST companies until the end. In any case however they are experience inventions. This is because the FAST companies had developed solely sensors for measurement of pressure, torques and positions on motor vehicles and their drives and on other drives. These sensors were used in machinery in order to monitor the operating state of drives or drive trains and to report this state to a computer which depending on the state of the monitored device or part made decisions. The patents in dispute related without exception to the sensors or parts thereof. All these sensor-related inventions were based on the principle that a magnetic field sensor interacts with a magnetic field, either by the

absolute intensity of the magnetic field or by the positioning of the sensor relative to the magnetic field. Accordingly both the inventions in dispute which the defendant devised within the framework of his employment at the FAST companies related either to the element which produces the magnetic field, or the element which perceives the magnetic field. In the interval from 2000 to August 2003 the defendant assigned all rights to many of the sensor-related inventions, thus for example US 6,910,391 relating to a magnetized torque measured value converter element, and US 6,904,814 relating to a magnetic torque sensor system (compare document dated 12/6/2005, p. 25 = page 253) to the FAST companies without reservation; this on the one hand demonstrates that these inventions belonged to his job and not to free-time employment and on the other show the technical level of knowledge and background of experience of the FAST companies in this period. All observations which have been made on the individual steps of developing the technical solution led to new or improved methods for producing or measuring magnetic fields. The improvements achieved in this way then became the subject matter of later patent applications. Therefore all the patent applications of the FAST companies formed an intellectual continuum which is based on the same fundamental scientific assumptions.

With regard to the description of the technical relationships between the inventions in dispute and those inventions assigned by the defendant to the FAST companies without reservation, reference is made to the statements of the plaintiff in the document dated 12/6/05 pp. 26-30 = pp. 254-258.

In both positions, both as proxy and also as managing director, the defendant was solely responsible for patents. By virtue of the applications in favor of the respective employer, in his role as representative of the employer, each time implied and within the framework of acting as

principal and agent which was subsequently approved by the third party, he claimed the inventions devised by him and reported with the applications at the proper time for the FAST companies. If the invention were not to have been claimed they were in any case subsequently assigned to the FAST companies by implication. In this respect within the FAST companies the general consensus was that the inventions devised by the defendant should pass to the FAST companies and in doing so no formalities needed to be observed. This is because between the members of the board of directors of FAST Technology AG and the defendant there were repeated discussions regarding the enormous costs incurred by the applications pursued by the defendant with respect to his inventions with sole responsibility, but in the name of the FAST companies. The defendant more and more pushed the patent applications to enhance his own reputation and to improve the patent portfolio of the FAST companies and in discussions with the members of the board of directors pressed for the filing of his and also other inventions. In these discussions the defendant and the affected members of the board of directors assumed unanimously that the inventions, for whose application FAST Technology AG should assume costs, should of course be due solely to FAST Technology AG. Otherwise the members of the board of directors would not have allowed themselves to be convinced of these extremely high costs. This was also completely clear to the defendant.

With the document dated 8/2/05 (page 213/215) the plaintiff and with the document dated 7/6/05 (page 176/210) the defendant announced the dispute to the insolvency administrator of FAST Technology AG. The latter has entered the dispute on the side of the plaintiff with the document dated 2/15/06 (page 328/329).

According to the partial abandonment of the action dated 12/6/05 (pp. 229/280) with respect to the patents in dispute d, f, g, h, i, u, v, w, y and z (for z only with respect to PCT/EP 01 04077)

and dated 7/6/06 (p. 352) with respect to the patents in dispute a, r and t, and the extension of the suit by a declaration petition dated 12/6/05 (p. 231) the plaintiff still requests, the third party joining the petition:

1. The defendant is ordered,

a. (withdrawal)

b. For patent application US 10/480,597 to sign an "Assignment" as reproduced below:

[see English text on pages 6 - 8]

c. For patent application US 10/482,002 to sign an "assignment" as reproduced below:

(pages 8 - 10)

d. (withdrawal)

e. For patent application US 10/490,058 to sign an "assignment" as reproduced below:

(pages 14 - 16)

f. (withdrawal)

g. (withdrawal)

h. (withdrawal)

i. (withdrawal)

j. For patent application US 10/477,180 to sign an "assignment" as reproduced below:

(pages 29-31)

k. For patent application PCT/EP 01/13698 to sign an "assignment" as reproduced below:

(pages 32-34)

l. For patent application PCT/EP 02/01704 to sign an "assignment" as reproduced below:

(pages 35 - 37)

- m. For patent application PCT/EP 02/01225 to sign an "assignment" as reproduced below:
(pages 38 - 40)
- n. For patent application PCT/EP 02/00784 to sign an "assignment" as reproduced below:
(pages 41-43)
- o. For patent application PCT/EP 02/00786 to sign an "assignment" as reproduced below:
(pages 44 - 46)
- p. For patent application PCT/EP 2004/00044 to sign an "assignment" as reproduced below:
(pages 47 - 49)
- q. For patent application PCT/EP 03/09349 to sign an "assignment" as reproduced below:
(pages 50 - 52)
- r. (withdrawal)
- s. For patent application PCT/EP 03/10634 to sign an "assignment" as reproduced below:
(pages 56 - 58)
- t. (withdrawal)
- u. (withdrawal)
- v. (withdrawal)
- w. (withdrawal)
- x. For patent application CA 2,450,137 to sign an "assignment" as reproduced below:
[see English text on page 10]
- y. (withdrawal)
- z. For patent applications
US 10/485,960

US 10/480,597

US 10/482,002

US 10/498,058

US 10/257,337

US 10/477,180

to sign a "Declaration for Patent Application and Power of Attorney", as reproduced below:

[see English text on pp. 12 - 15]

alternatively:

a. (withdrawal)

b. For patent application US 10/480,597 to sign an "Assignment" as reproduced below:

[see English text on pp. 16 - 17]

c. For patent application US 10/482,002 to sign an "Assignment" as reproduced below:

(pp. 233-234)

e. For patent application US 10/498,058 to sign an "Assignment" as reproduced below:

(pp. 235-236)

j. For patent application US 10/477,180 to sign an "Assignment" as reproduced below:

(pp. 236-237)

k. For patent application PCT/EP 01/13698 to sign an "Assignment" as reproduced below:

(pp. 237-238)

l. For patent application PCT/EP 02/01704 to sign an "Assignment" as reproduced below:

(pp. 238-239)

m. For patent application PCT/EP 02/01225 to sign an "Assignment" as reproduced below:

(pp. 239-240)

n. For patent application PCT/EP 02/00784 to sign an "Assignment" as reproduced below:

(pp. 240-241)

o. For patent application PCT/EP 02/00786 to sign an "Assignment" as reproduced below:

(pp. 241-242)

p. For patent application PCT/EP 2004/00044 to sign an "Assignment" as reproduced below:

(pp. 242-243)

q. For patent application PCT/EP 03/09349 to sign an "Assignment" as reproduced below:

(pp. 244-245)

r. (withdrawal)

s. For patent application PCT/EP 03/10634 to sign an "Assignment" as reproduced below:

(pp. 246-247)

t. (withdrawal)

further alternatively:

The defendant is ordered to deliver the declarations and assignments above.

further alternatively:

The defendant is ordered to render the above signatures to the third party.

2. It is established that all rights, claims and participation in or from the patent applications PCT/EP 02/08820 (US 10/485,960), PCT-EP 02/06300 (US 10/480,597), PCT/EP 02/02960 (US 10/482,002), PCT/EP 02/13952 (US 10/498/058), PCT/EP 02/04871 (US 10/477,180), PCT/EP 01/13698, PCT/EP 02/01704, PCT/EP 02/01225, PCT/EP 02/00784, PCT/EP 02/00786, PCT/EP 2004/000044, PCT/EP 2003/009349, PCT/EP 02/14520, PCT/EP 2003/010634 and PCT/EP 02/01230 and in or from the inventions underlying these applications, which relate to the defendant, at the time of their assignment to Magna-Lastic Devices Inc., in August 2003 were owned by FAST Technology AG, Otto-Hahn-Strasse 24, Gewerbegebiet Riemerling, 85521 Ottobrun, Germany or were a component of the insolvency property of FAST Technology AG.

The defendant requests

the suit be dismissed.

The defendant submits that he devised most inventions in the interval from late March 2000

to late August 2002 and thus in his time as proxy. Only the inventions according to the patents f, y, p and s in dispute were devised by him as director. Since the plaintiff upon whom the burden of proof lies for this has not cited any information on the times of origination of inventions b, z, h, q, u, v and w, the suit is in this respect ready to be dismissed. Even he can only remember the following dates: he invented b and z in June 2001, i and z in April 2000, s in August 2002 and d prior to April, i.e. prior to the existence of FAST GmbH. G was already assigned to TRW Inc. and FAST Technology AG according to appendix B 24; the claim to signature of these declarations and assignments is therefore already satisfied.

They are primarily free inventions in the sense of Section 4 paragraph 3 of the Employee Invention Law. This is because the inventions always originated outside of his direct activity for the FAST companies and outside of and independently of their business premises and business equipment. Even before his activity as director of FAST Technology AG the defendant devised the invention according to Appendix B 2 and assigned it to the GmbH. Furthermore the defendant devised other inventions in this field before and during his activity for NCTE.

Expressed declarations with respect to the use or assignment of the patents in dispute have not been delivered either in writing or orally, without dispute. Effective implied declarations have not been delivered for this reason since the participants have been unaware of the declarations. Neither the defendant nor other elements of the FAST companies at the time had any ideas about the ownership of the patents in dispute, nor were the form prescriptions of the Employee Invention Law known to him or the other members of the element. Nor has he abandoned any adherence to the written form of any declaration of use. There has been no formal inventor report within the FAST companies. In addition to him, other colleagues were also active in the inventions.

Any actions as principal and agent by the defendant - regardless of the fact that they have not be recognizable to the outside - are invalid since he has not been relieved of the limitation of Section 181 BGB and also the insolvency administrator has not approved by implication any provisionally invalid transactions for lack of knowledge of the possible invalidity.

Formal inventor reporting for its part has not been necessary since the FAST companies had indisputably filed all inventions for a patent with naming of its person as inventor. The inventions therefore became free after the period of use expired. Therefore the assignment by the insolvency administrator of FAST Technology AG was for nought.

Regardless, the plaintiff has no claim to signature of the declarations and assignments reproduced in the petition, since they contain among others incorrect affidavits and assignment declarations with incomplete contents, which are subject to penalty in the USA and which have not been prescribed in this form by the US Patent Office. The requested declarations and assignments ultimately constituted a US sales contract with respect to the patents in dispute without payment of the sales price although the plaintiff claims to already be the holder of the patents in dispute.

The claim of the employer according to Section 15 of the Employee Invention Law cannot be transferred either. Any claims are otherwise also statute-barred. They were also opposed by the fact that claims against the insolvency administrator for employee inventor compensation or damages for failure to observe his right of pre-emption pursuant to Section 27 No. 2 Employee Invention Law were due the defendant. He can also oppose these claims to the plaintiff in the form of a right of retention.

In any case protection from execution should be granted him since otherwise in the case of establishment of tentative enforceability facts accomplished with the signature would be formed.

Within the framework of a negative counteraction for an interim declaratory judgement the defendant requests,

It is established

(1) that the inventions underlying the applications US 10/485,960, US 10/480,597, US 10/482,002, US 09/673/930, US 10/498/058, US 10/373,636, US 6,360,841, US 10/738,883, US 10/257,337, US 10/477,180, PCT/EP 01/13698, PCT/EP 02/01704, PCT/EP 02/01225, PCT/EP 02/00784, PCT/EP 02/00786, PCT/EP 2004/00044, PCT/EP 03/09349, PCT/EP 02/14520, PCT/EP 03/10634, PCT/EP 02/01230, GB 012905, GB 0115494, GB 0127448, CA 2,450,137 and CA 2,476,543 in which the defendant is sole inventor or co-inventor are not service inventions in the sense of Section 4 Employee Invention Law and the rights to them have not been assigned by the defendant to FAST Technology AG or its legal predecessor, FAST Technology GmbH;

(2) alternatively (for the case in which there are service inventions),

that the inventions underlying applications US 10/485,960, US 10/480,597, US 10/482,002, US 09/673/930, US 10/498/058, US 10/373,636, US 6,360,841, US 10/738,883, US 10/257,337, US 10/477,180, PCT/EP 01/13698, PCT/EP 02/01704, PCT/EP 02/01225, PCT/EP 02/00784, PCT/EP 02/00786, PCT/EP 2004/00044, PCT/EP 03/09349, PCT/EP 02/14520, PCT/EP 03/10634, PCT/EP 02/01230, GB 012905, GB 0115494, GB 0127448, CA 2,450,137 and CA 2,476,543 in which the defendant is sole inventor or co-inventor neither in the course of use according to the Employee Invention Law by FAST Technology AG or its legal predecessor, FAST Technology GmbH, nor by legal or other assignment to the latter have been assigned to it;

(3) alternatively (for the case in which assignment has taken place)

a) that for the rights which have not been completely assigned to FAST Technology AG or its legal

predecessor, FAST Technology GmbH, to the inventions underlying the applications US 10/485,960, US 10/480,597, US 10/482,002, US 09/673/930, US 10/498/058, US 10/373,636, US 10/738,883, US 10/257,337, US 10/477,180, PCT/EP 01/13698, PCT/EP 02/01704, PCT/EP 02/01225, PCT/EP 02/00784, PCT/EP 02/00786, PCT/EP 2004/00044, PCT/EP 03/09349, PCT/EP 02/14520, PCT/EP 03/10634, PCT/EP 02/01230, GB 012905, GB 0115494, GB 0127448, CA 2,450,137 and CA 2,476,543 no compensation has been paid so far by FAST Technology GmbH or its legal successor and for this reason the defendant is due no right of retention against the plaintiff.

b) that the claims of FAST Technology AG or its legal predecessor, FAST Technology GmbH, against the defendant for assignment of assigned rights to inventions underlying the applications US 10/485,960, US 10/480,597, US 10/482,002, US 09/673/930, US 10/498/058, US 10/373,636, US 10/738,883, US 10/257,337, US 10/477,180, PCT/EP 01/13698, PCT/EP 02/01704, PCT/EP 02/01225, PCT/EP 02/00784, PCT/EP 02/00786, PCT/EP 2004/00044, PCT/EP 03/09349, PCT/EP 02/14520, PCT/EP 03/10634, PCT/EP 02/01230, GB 012905, GB 0115494, GB 0127448, CA 2,450,137 and CA 2,476,543 are statute-barred;

(4) alternatively (for the case in which use has taken place).

a) that for the inventions underlying the applications US 10/485,960, US 10/480,597, US 10/482,002, US 09/673/930, US 10/498/058, US 10/373,636, US 10/738,883, US 10/257,337, US 10/477,180, PCT/EP 01/13698, PCT/EP 02/01704, PCT/EP 02/01225, PCT/EP 02/00784, PCT/EP 02/00786, PCT/EP 2004/00044, PCT/EP 03/09349, PCT/EP 02/14520, PCT/EP 03/10634, PCT/EP 02/01230, GB 012905, GB 0115494, GB 0127448, CA 2,450,137 and CA 2,476,543 which have been claimed according to the Employee Invention Law by FAST Technology AG or its legal predecessor, FAST Technology GmbH

- no right of pre-emption pursuant to Section 27 No. 2 p. 1 Employee Invention Law has been granted and thus claims for damages against the insolvency administrator and

- claims for appropriate compensation pursuant to Section 27 No. 2 p.4 Employee Invention Law have arisen which have not been satisfied so far, and for this reason a right of retention is also due the defendant against the plaintiff;

b) that claims of FAST Technology AG or its legal predecessor, FAST Technology GmbH, against the defendant for cooperation in the sense of Section 15 paragraph 2 Employee Invention Law with reference to the claimed inventions underlying the applications US 10/485,960, US 10/480,597, US 10/482,002, US 09/673/930, US 10/498/058, US 10/373,636, US 10/738,883, US 10/257,337, US 10/477,180, PCT/EP 01/13698, PCT/EP 02/01704, PCT/EP 02/01225, PCT/EP 02/00784, PCT/EP 02/00786, PCT/EP 2004/00044, PCT/EP 03/09349, PCT/EP 02/14520, PCT/EP 03/10634, PCT/EP 02/01230, GB 012905, GB 0115494, GB 0127448, CA 2,450,137 and CA 2,476,543 are statute-barred.

The plaintiff requests

rejection of the counteraction for an interim declaratory judgement.

The third party joins the petition of the plaintiff.

The plaintiff responds that the text of the assignments and declarations are generally conventional and thus necessarily prescribed. The defendant previously signed these assignments and declarations after insolvency was initiated, without dispute. Therefore he can no longer cite the text's not appealing to him.

The defendant alone can allege claims to employee inventor compensation or damages for right of pre-emption relative to the insolvency administrator. In any case he must render the

requested signatures to him. The obligation is not statute-barred either since the demand for these signatures was only recently disclosed.

Otherwise the defendant has contractually promised by signing the investment contract dated 7/5/05 (Appendix LLR 2) that FAST Technology AG is the holder of the patents o, n, k, m, l, t, j and z in dispute.

The defendant opposes to this that the guarantee which has not been delivered to the plaintiff, but to new investors of FAST Technology AG, relates to specific, individual patents or applications which are not in dispute here, but conversely not to the material allocation of the underlying inventions. Only the completeness and correctness of the attached list are guaranteed.

To supplement the facts of the case, reference is made to the documents together with appendices submitted by the parties and to the minutes of the sessions dated 6/9/05 (pp. 166/169) and dated 2/16/06 (pp. 323/327).

GROUND OF THE DECISION

The suit had to be dismissed since the patents in dispute had not been assigned to the FAST companies and subsequently to the plaintiff for lack of declaration of use or declaration of assignment.

The counteraction for an interim declaratory judgement was successful with petition 2.

A.

Justification of the plaintiff pursuant to

Section 15 paragraph 2 Employee Invention Law

To the extent the plaintiff has required performance in himself from the assigned right (suit and 1st auxiliary petition) the suit had to be dismissed for lack of plaintiff's right of action. This is

because the required cooperation actions pursuant to Section 15 paragraph 2 Employee Invention Law (signature, alternatively: specification of declarations and assignments relative to the patent offices,) are extremely personal rights and obligations from the working relationship which pass only to the overall legal successor and not to the individual legal successor cannot therefore be transferred (compare Bartenbach/Volz, Employee Invention Law, 4th edition, Section 15, note 11).

With respect to the second auxiliary petition (rendering to the insolvency administrator) in any case direct authorization of the plaintiff by the third party dated 6/605 (Appendix CBH 48) takes effect so that a decision had to be made regarding the auxiliary petition in the matter.

B.

Soundness of the auxiliary petition

Even if it is assumed in favor of the plaintiff that the defendant has signed responsibly within the FAST companies solely for patents, no effective declaration of use or declaration of assignment with respect to the patents in dispute can be taken from the submission of the plaintiff.

I. Regardless of the exact date of the respective inventions, between the parties with reference to the patents in dispute it is undisputable that the defendant devises the inventions either as a proxy and thus as an employee of FAST Technology GmbH or as director of FAST Technology AG. For both cases thus the provisions of the Employee Invention Law apply, either directly according to Section 1 of the Employee Invention Law or (only to a limited degree, since not obligated to compensation) based on the agreement in Section 7 paragraph 2 of the director's employment contract (Appendix B 4).

II. According to Section 5 paragraph of the Employee Invention Law any employee who has devised a service invention must report this immediately in writing to the employer.

1. Here it can be assumed for all inventions that they are service inventions in the form of an experience invention in the sense of Section 4 paragraph 2 of the Employee Invention Law or inventions related to the directorship activity of the defendant.

This is because the defendant has opposed the very detailed submission of the plaintiff on the technical relationship between the two inventions assigned to the FAST companies by the defendant and the inventions in dispute here (compare document dated 12/6/05 pp. 23-31 = pp. 251-260 which are all considered the heart of the business activity of the FAST companies and the professional activity of the defendant as proxy and director within the FAST companies, only very globally, as shown in the statement of facts (compare document dated 7/6/05, p. 11 = p. 186). He thus has not shaken the actual assumption being litigated for the plaintiff (compare Bartenbach/Volz, Employee Invention Law, 4 ed. Section 4, note 46) that the inventions devised by him which all relate obviously to the domain of his business activity or his directorship activity are experience invention or director inventions.

2. There are indisputably no reports of the defendant in the sense of Section 5 paragraph 1 Employee Invention Law.

Violation of Section 5 of the Employee Invention Law however must remain without disadvantages for the employee inventor according to higher court case law if it is documented in a different form comparable to a proper report that the employer has knowledge and recognition opportunities which must be procured for him according to Section 5 of the Employee Invention Law. This is because it is then established that a corresponding report in the form prescribed pursuant to Section 5 of the Employee Invention Law is no longer required, and it would be false formalism no longer covered by the purpose of this regulation if the employer with respect to

decisions to be made by him in the case of a service invention could insist nevertheless on the adherence to Section 5 of the Employee Invention Law. This is the case when the employee files the service invention with the contents of the teaching developed by his employee for technical action and in doing so names all the inventors involved in the development. This is because he had to recognize that he had also been notified from his standpoint about the significant circumstances, especially about the importance of the invention and its inventors, so that in any case he is now able and it could be expected of him to claim the service invention as soon as possible if he intended to use this legal possibility (BGH, Judgment dated 4/4/06, X ZR 155/03 - adhesive label).

This case law can also be applied in this case of coincidence of the property as inventor and representative of the employer in the matter of patents in one person - either as director or proxy.

In this connection it should be emphasized that the defendant as director was not relieved of the limitations of Section 181 BGB; this is already apparent from Section 1 paragraph 2 of the employment contract (...represents the company with another member of the board of directors or a proxy). For the period of activity as a proxy there is no written contract. The plaintiff has not explained relief pursuant to Section 181 BGB.

It is no longer decisive that it can be assumed that the defendant as proxy was not relieved of the limitations of Section 181 BGB. Section 181 BGB is also applied analogously to unilateral declarations of intention which become complete upon receipt by the other party (compare Palandt/Heinrichs, BGB, 65th ed. Section 181 note 8 mwN). A proper declaration of use to be assumed would therefore be void without an approval possibility analogously to Section 180 BGB (compare Palandt, loc. cit. Section 181 note 15 mwN).

If an employer however does not relieve the employee inventor or director solely entrusted

with patent matters which is equivalent to an employee inventor based on contractual agreements of the limitations of Section 181 BGB, and otherwise does not provide for an organization which ensures acceptance of inventor reports which may become necessary or the delivery of declarations of use, it is not worthy of protection, particularly since FAST Technology AG has done this according to Section 7 paragraph 2 of the director employment contract by agreement of analogous application of the Employee Invention Law.

III. The four month term of Section 6 paragraph 2 of the Employee Invention Law therefore began to run for each patent in dispute with the filing of the written patent application.

IV. There is indisputably no written declaration of use within the term of Section 6 paragraph 2 of the Employee Invention Law.

V. Nor could any effective oral or implied declarations of use which are a constitutive declaration of intention which becomes complete upon receipt by the other party (compare BGH loc. cit. p. 19 - adhesive label) be established within the deadline.

1. For the inventions which the defendant devised as proxy of Fast Technology AG there is no submission of the plaintiff regarding which other persons have explained anything legally significant.

The fact alone that the defendant filed the inventions devised by him for patenting for his employer - regardless of the lack of written form and the fact that the patent applications are not directed at the defendant as an employer, but to the respective patent office, cannot yield any declarative value to the extent that a declaration of use is to be seen therein. Then the contents of this declaration are fundamentally not accepted by case law even for different persons (compare OLG Duesseldorf, GRUR-RR 2004, 163, 166). This is because the employer is obligated anyway

according to Section 13 paragraph 1 Employee Invention Law, regardless of later use, to file the employee invention. Here the defendant fulfilled this obligation as proxy.

Therefore the lack of a written form which leads to invalidity of the declaration of intention pursuant to section 125 BGB is no longer decisive.

For this reason the written form is not dispensable either since here the written invention report was considered unnecessary. The different strictness of form can be accepted (compare BGH loc. cit. p. 17 - adhesive label).

Agreement to abandon the written form of the declaration of use is fundamentally possible, in any case only during the course of the four month period (compare BGB loc. cit. p. 19 - adhesive label). The plaintiff has not submitted anything specific in this regard.

A general implied abandonment of all formalities, as submitted to the defendant, could itself not be combined with the protective idea of the Employee Invention Law and thus is invalid according to Section 22 Employee Invention Law with a genuine suggestion, without reference to a specific invention. Regardless, the plaintiff has not submitted starting from when this general consensus is to have existed for the first time so that application to the individual invention is not possible.

2. For the inventions which the defendant devised in his time as member of the board of directors of FAST Technology AG, legally valid declarations of use cannot likewise be ascertained.

To the extent the plaintiff submits that there were repeatedly discussions between the members of the board of directors of FAST Technology AG and the defendant about the enormous costs which arose by the patent applications pursued by the defendant with reference to his inventions with sole responsibility, but in the name of the FAST companies, the defendant pushed

the applications to enhance his own reputation and to improve the patent portfolio of the FAST companies, and in discussions with members of the board of directors urged the application of his and also other inventions and in these discussions the defendant and the pertinent members of the board of directors assumed unanimously that the inventions for whose application FAST Technology AG was to assume the costs should of course be due FT AG alone, since the members of the board of directors had otherwise not been convinced of this extremely high cost and this was also completely clear to the defendant, this itself did not have the desired effect for a genuine suggestion.

This is because for the acceptance of a unilateral declaration of intention which becomes complete upon receipt by the other party, awareness is necessary for the explaining party, here the members of the board of directors, that they express use pursuant to the Employee Inventor Law. This cannot be taken from the submission. Rather all participants assumed unanimously that the inventions are already due FT AG. This simple "will to allocate" is not sufficient according to case law of the BGH (loc. cit. p. 22, 23 - adhesive label).

Therefore failure to adhere to the written form is no longer decisive.

Otherwise reference can be made to the aforementioned.

The inventions in dispute thus became free after expiration of the period of use pursuant to Section 8 paragraph 1 no. 3 of the Employee Invention Law.

VI. Expressed or implied transfer of the inventions to the FAST companies after becoming free cannot be established.

Basically the transfer of an invention which has become free from the employee inventor to the employer pursuant to Section 22 of the Employee Invention Law is possible by expressed or

also implied legal transactions. To do this, according to higher court case law two legal declarations of intention in the form of an offer and acceptance are necessary. Some simple intention to allocate is not sufficient. The affected party must accordingly have acted in the awareness that this legal declaration at least may be necessary. A declaration of intention with certain contents can only be attributed to behavior without this awareness of declaration if the affected party with application of the care required in commerce would have been able to recognize and avoid the fact that his behavior in good faith and according to accepted standards should be viewed as a declaration of intention of this content, and the opposing party has also in fact understood it in this way (compare BGH loc. cit. p. 22 ff. - adhesive label).

The legal content of this declaration that the patents to be filed should belong to FAST Technology AG cannot be taken from the above described general consensus assumed to be true between the members of the board of directors and the defendant. This is because regardless of the fact that it has not been submitted when specifically which discussions took place, before or after expiration of the respective periods of use, all participants apparently assumed that the patents are already due the AG. A legal intention directed at transfer cannot therefore be established either for the defendant or for the members of the board of directors.

This intention to transfer for the defendant cannot be established either for this reason since on the side of the defendant as employee inventor it is the task of a right of monetary value and a reasonable party will generally be prepared for this only if unanimity is achieved on pecuniary consideration (compare BGH loc. cit, p. 24 - adhesive label); this is not the case here.

The plaintiff has not presented noteworthy starting points that could differ from these principles here. His reference to Section 7 paragraph 1 of the employment contract, according to

which the employer is entitled to claim inventions of the defendant without compensation, does not have the desired effect since this right according to Section 7, paragraph 2 subparagraph 2 of the contract can only be construed such that it exists within the employee inventor right to be applied analogously and therefore only within the term of use. After the term of use of the Employee Invention Law has expired, these director inventions can therefore either no longer be claimed at all or only against the corresponding employee inventor compensation.

This applies likewise to the extent the plaintiff argues with the defendant acting as principal and agent.

Regardless, this defendant's acting as principal and agent has not been manifested to the outside (compare Palandt/Heinrichs, loc. cit. Section 181 note 23 mwN) since the simple pursuit of the applications for the FAST companies belonged to the employment-contractual obligations of the defendant who thus in turn has satisfied the obligation of his employer pursuant to Section 13 paragraph 1 of the Employee Invention Law.

Nor can this manifestation of action as principal and agent be taken from the investment contract dated 7/5/03 submitted as Appendix LL2. Then, on the one hand the guaranty declaration contained herein relates solely to the completeness and correctness of the attached enumeration of patent applications which do not relate to the patents in dispute here either, and not to material allocation of the underlying employee inventions. On the other hand, this guaranty declaration is directed neither at the FAST companies nor at the plaintiff or the previous alleged holders of the patents in dispute, rather at other future investors of the FAST companies.

This defendant's acting as principal and agent pursuant to Section 181 of the BGB would also be provisionally invalid since he has not been relieved of this limitation (compare above). One

who has undertaken action as principal and agent without approval can also appeal thereto, since any abuse of legal rights which could lie in the appeal to invalidity cannot replace approval of a transaction which depends on the resolution of intent of another. Here the insolvency administrator who is the intervening party of the plaintiff is free to retrieve this approval at any time.

So far this approval of the provisionally invalid transaction cannot be established. Expressed approval of the insolvency administrator was not submitted. Implied approval cannot be seen in the assignment of the patents by the insolvency administrator since the insolvency administrator at the time neither knew about the approval obligation nor even expected it (compare Palandt/Heinrichs, loc. cit. Section 182 note 3 mwN).

C.

Counteraction for an interim declaratory judgement

For the aforementioned reasons petition 1 of the counteraction for an interim declaratory judgement allowable pursuant to Section 256 paragraph 2 ZPO had to be rejected and petition 2 upheld.

To the extent there was no longer any relevancy of the decision by the partial revocation of the claim, the petition had to be converted into a regular counteraction for a declaratory judgement (Zoeller/Greger, ZPO, 24th ed. Section 256 note 29). There was at the time plaintiff's interest in the suit, since the plaintiff disputed the existence of free inventions and effective use or effective transfer after becoming free had to be maintained. Auxiliary petition 1 differs from petition 2 of the suit also in that the latter is geared to the legal situation in August 2003, while the counteraction with the 1st auxiliary petition is geared to the question of use or transfer.

The condition for further auxiliary petitions within the process has not arisen.

D.

Subsidiary decisions

The pronouncement for tentative enforceability follows from Section 709 ZPO.

The determination of the amount in dispute follows from Sections 3 and 5 ZPO, Sections 45 paragraph 1, 48 paragraph 1 GKG.

Based on the statements of the defendant which have remained undisputed in the document dated 2/9/06 (p. 14 = p. 345) and with consideration of a deduction for the action for a declaratory judgement the division sets the value of the counteraction for an interim declaratory judgement at 700,000 euros. Since the claim which the plaintiff has established at 20,00 euros and the counteractions for an interim declaratory judgement relate to the same item, pursuant to Section 48 paragraph 1 subparagraph 3 GKG only the value of the higher claim is decisive. The value of the alleged right of retention does not exceed this amount.

The counteraction for an interim declaratory judgement was unconditionally brought only with the document dated 9/19/05 (page 219).

The cost decision follows from Sections 269 paragraph 3 p. 2, 91 paragraph 1 ZPO.

The plaintiff is completely unsuccessful with his suit. With respect to the counteraction for an interim declaratory judgement the defendant is unsuccessful with his main petition, but successful with the 1st auxiliary petition. The latter however does not have a smaller value than the main petition, so that the costs overall had to be imposed on to the plaintiff.

Since the third party is unsuccessful with his petitions, he must bear his own costs (Section 101 Section 1, 2nd subparagraph ZPO.

Retzer
Presiding District Court Judge

Dr. Brodherr
District Court Judge

Dr. Zigann
District Court Judge

The agreement of the copy with the original is confirmed,

Munich, August 7, 2006

Clerk of Court, Munich District Court